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Social Benefits and Costs of Protecting Intellectual Property Rights

An intellectual property right is not an alien undertaking as global economies begin shifting into a kind of information economic paradigm. Because of this change, instead of attaching more value to physical properties such as land and other tangible objects, there is a completely new world of intellectual property that demands protection: innovative products of the human mind. Through protecting IPRs, an impetus for knowledge development results, presenting exclusive mandate enforceable through a well-structured legal framework of utilizing the same knowledge in a way that benefits the authors of intellectual products. As Kobayashi and Yu observe, developing economies have faced the backdrop of IPRs violations given that a number of them are devoid of standard protection protocols, a situation that ruins the value of intellectual innovation (73). In an idealized framework, intellectual property rights ought to offer the innovator the right to exclude others albeit limitedly in consuming their products until a win-win situation results. In this way, after making a public stance with the development of a knowledge base embodied in these properties, the safeguarding curbs imitation of creative efforts. In light of such benefits, social costs emerge, traversing the apparent bureaucratic cost implications of intellectual property. Social costs assume various fronts, culminating in limitations on utilizing productive technologies, abuse, enforcement considerations, and the creation of monopolies. Amidst the demerits guised in social costs, the protection of IPRs

underscores the commitment to propagate innovative minds and create value for a country's artistically vibrant sector.

Social Benefits of Protecting IPRs

Provides Guarantees Concerning the Safety and Quality of Products. Upon ascertaining the safety of their products, producers can commercialize their properties or expand their current undertakings into new market segments more efficiently and effortlessly. In what constitutes goodwill and reputation, IPRs protection delineates connection between the producer and the custodian of the policies to enable the latter's access to new market segments, which would have remained inaccessible. This is true in the sense that consumers can discern the value of a protected product, with the desire to know why it is accorded the same. Again, the protection of a product offers clear-cut guidelines for modification in a bid to conform to the underpinnings of novel markets. Oftentimes, the protection remains responsible for the creation, localization, distribution and other logistics; therefore, producers, such as artists and other innovators bring products that adhere to the safety and quality requirements of a particular market.

Distribution of Technical Knowledge. Patents serve as rich sources of technical knowledge requisite for fostering artistic ability. Current estimations point to a staggering figure of 80% of technical knowledge available in patent manuscripts because patenting ceases after a period, bringing such information to the public domain, innovators included (Maskus 187). Through this information, artists can derive solutions to technical problems as well as retrieve business intelligence in their different domains. In this way, patents not only unearth technological underpinnings, but also make it feasible at every phases of the innovation to locate potential competitors, partners, consumers, and grants the latent to monitor the innovation. This technological packaging Gives IPRs a newfound knowledge based currency and the potential for

productive integration of various technological renditions. Technology unveiled through IPRs protection documents can be harnessed only if the inventive demeanor is maintained by ensuring the effectiveness of the intellectual property policies such that there is a multiplier effect, which is the basis for subsequent technical improvements.

Boosting Innovation. By working towards attaining creativity and expanding consumer choices of products and technology, protecting IPRs is critical for the thrival of innovation. The various forms of IPRs control such as trademarks, patents, and copyrights connote the building blocks for establishing ownership rights to ideas and innovations, providing a legal framework for delivering tangible benefits to businesses and individuals. It is imperative to cite that innovation is the heart of the intellectual property industry, defining the rationale for technology exchange as well as openness to sharing. As Kobayashi and Yu contend, by interfacing society and the producers of intellectual products, IPRs is the conveyer belt for propagating innovation in the interconnected field of innovation (76). In the end, the protection acts as a contract between innovators and society, in which the latter acknowledges the short-term exclusive rights of its producers, resulting in continued long-term social merits entrenched in innovation.

Ip as a Tool for Compleitive Advantage. Equipped with a knowledge management realm, IPRs gives product creators the latent to maintain a competitive advantage. IPRs not only explicate the product information and the capabilities that can be shared, but defines the ramifications upon violation of such limitations. By managing the life-cycle of a particular product, IPRs protection defines the operational and tactical underpinnings to instill corporate exclusiveness of a product, maintains brand recognition, and so, resulting in a competitive advantage. Also, laden with defensive strategies that limit the gains of unscrupulous competitors, IPRs guarantee protection through managing the distribution networks, trademarks, patents, and product design (Thierer

23). Meanwhile, new market entrants could employ IPRs protection to devise aggressive approaches that revolutionize their strategic stunts, intensive promotion, and product proliferation to ease the penetration of new markets. Trademarks, for instance, create a useful macro-economic element as far as locating the origin of products and technologies is concerned. As a result, it cements customer accountability along with the strategic marketing responsibility in individual preference.

In such a paradigm, consumer loyalty results, an effective tool in boosting revenues and a platform to attract new customers. In this win-win situation, innovative challengers are empowered to alter the industry structure, while incumbent players may deploy their selective barriers in order to leverage their market positioning. Simply put, whereas new players boast of innovative capital requirements coupled with robust switching costs, the protection of proprietary assets makes imitation intricate and serves as an effective deterrence to new challengers. IPRs protection, for that reason, increases profitability for property owners in a way that upholds their market allocation, differentiates the product lines, acquires new loyalties, and justifies the financial value of entities. Still, design protection safeguards artistic works provided they certify the criteria for originality and creativity, granting the owners the exclusive mandates to use and adopt the design in a way that third parties remain short of the consent for product usage. Such exclusivity translates into the commercial value of protecting product territories.

IPRs Protection as Collateral for Capital. The potential access to financing has often remained bleak for intellectual property owners, limitations encompassing credit history, repayment ability, as well as collateral or at least what, traditionally, constitutes collateral according to financial institutions. According to Maskus, IPRs protection grants individuals and corporations new untapped resources packaged as intellectual property, which can live up to the valuation

criteria, and so, persuading lenders to offer credit (189). In the absence of sound IPRs protection guidelines, banks have remained inclined to tangible businesses, leaving this new frontier underfunded. In the face of flexible IPRs-oriented financing, the difference between triumph and failure would be evident among budding intellectual property owners, erasing the conventionally asymmetric perception to funding. Taking a two-fold stance, IPRs protection transforms financing in two ways. In the first place, it serves as an indicator of the owner's quality and potential, both technological and managerial, to minimize information disparities that underline their interface with external investors. On the other hand, IPRs protection boosts profitability by conferring exclusive rights to using inventions; this reputation can serve as collateral to debt financing.

Social Costs of IPRs Protection

Creation of Monopolies. By establishing confidence and credibility in both the market segment and consumer space, IPRs protection could result in monopolies. While monopolies may prevail in various ways, the underlying rationale for such occurrences is the existence of a strong product conviction. Monopolies over brand names, aesthetic designs, inventions and other innovative products necessitate effort and are safeguarded on the basis of benefit emanating from the creators contribution pertaining to skill, time, and even financial engagement. In this context, both direct and indirect misgivings of such legally-instigated monopolies serves as the bottom-line for protecting intellectual property rights (Thierer 26). Even as the nuisances of such monopolies may not be feasible at the outset, it is prudent to acknowledge that the optimum damage will by far override the investment value for enforcement and protection, with the even the marginal value remaining incapable of recouping such investments.

Marketing and Enforcement Considerations. Owing to the territorial nature of property rights alongside the fact that they have a lifespan for expiry, the only means of stopping possible breaches is being thrown into a perpetual spending cycle. Owners of intellectual property are always budgeting for enforcement costs against the return on investment of such products. Another cost implication emanates from the fact that, in some countries, particularly the developing, ambiguities exist in defining intellectual property. As a result, the owner of an innovation could face numerous court battles with those who perpetrate the breaches in this line of reasoning. Unlike conventional property with clear-cut ownership confines, the ownership of intellectual property is intricate since their nature keeps evolving and even borrowing attributes from each other. Moreover, a situation emerges where the “information wants to be free” for intellectual properties. As Thierer notes, the idea here is that intellectual property has the innate calling to seek the largest possible diffusion and audience, hence the unsuccessful attempts to stop duplication, especially for products with an overwhelming demand (28). Coupled with the nonzero sum of intellectual property that makes it reach a countless number of users, enforcement in this environment bears huge financial implications. Even so, investment in intellectual property rights is not a guarantee of the return on investment. In addition to the complexities in equities, innovators, despite the magnitude of their investments, often hold their hopes of gain on third parties.

Limitations in Using Productive Technologies. In enforcing property rights, a major problem resides in the failure to strike the correct equilibrium between providing sufficient protection that spurs innovation and, at the same time, not impinging severely on the public benefits accruing from the exploitation such properties. In the process, the public may be deprived of the privilege to experience new technologies. Whereas it is possible to realize innovation even in the absence

of property rights protections, lack of them thereof will hamper creativity because of the resultant skewed sharing of benefits. As Thierer asserts, should innovators exercise extreme control of their products, then this remains detrimental to society, as they prevent interaction with even the useful components of their creations (25). These two competing ends spell how the society's experience with a product pegs on the legal underpinnings, which could be riddled with inconsistencies.

Licensing Could Result in Abuse. To be specific, both patent and copyright systems, in some cases, appear counterproductive to their initial purposes. In many situations, patents are issued for unwarranted innovations that do not bear any creativity or are obvious, and so, locking out others the platform for innovation they would have on their own irrespective of the patent.

Another abuse lies in the flaw for patents to impose hefty penalties upon deliberate violations, yet accommodates damages in cases of accidental breach. Maskus cites that the allusion of this double standard is that, instead of using the patent database as a knowledge base, an innovator may be required to demonstrate in a court of law that it was not possible for them to have recognized the patent leading to the infringement (192). Lastly, no modification to the patent's term exists to release the same packages for investors in dissimilar domains. Simply put, owing to bureaucracies, the time investment for some innovations seems overarching that it requires considerably longer periods to bring the ideas to fruition. In contrast, other domains necessitate less input coupled with realization of profits such that the patent's incentives remain irrelevant to the owner. In the case of patenting, the process is not only sophisticated, but necessitates public disclosure, implying that the innovation's intrigues remain susceptible to exposure, leading to infringement or expansion of the ideas. In fact, the patent slows down the rate of innovation in such fields.

Conclusion

Intellectual property protection aims at establishing sustainable instructional structures to streamline the utilization of innovative products, so that societal entities benefit from fruitful social and economic interactions. However, the success of IPRs protection depends on a set of socio-economic factors encompassing competition, regulation, adaptation, and creativity.

Evidently, IPRs hold the latent to trade and investment in highly innovative networks as they facilitate dissemination of knowledge and enhance consumer knowledge of product origin. Also, it is true that IPRs elicit price differentiation through offering more prospects of protecting and building the conventional product information, leading to a competitive advantage. On the other hand, the social implications of IPRs are guised in administrative and enforcement fees along with the potential for abusing the proprietary rights. If unbalanced, IPRs may limit the public's access to useful technologies through effecting undue controls that hinder follow-on creations and worthwhile imitative competition. Worse still, IPRs may present overbearing costs to property owners as they are plunged into a vicious cycle of financial commitment to protect the image of their brands. Overall, the implementation of IPRs requires striking a balance between merits against the social misgivings in a manner that curbs the legal excesses and gives society the rational to embrace such measures.

Works Cited

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